



GCSE EXAMINERS' REPORTS

APPLIED BUSINESS

SUMMER 2014

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<https://www.wjecservices.co.uk/MarkToUMS/default.aspx?l=en>

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Annual Statistical Report

The annual Statistical Report (issued in the second half of the Autumn Term) gives overall outcomes of all examinations administered by WJEC.

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Units 1 and 3 overview

Once again, many centres are to be thanked for the excellent standard of administration in the assessment process and the moderation samples sent to moderators. The majority could be held as exemplars as to how to use the correct cover sheet for individual candidates' work and the overall mark sheet for the moderation sample. Almost all work was accompanied by a teacher signature and a candidate signature to authenticate the work. Where work arrived later than the deadline, most centres contacted WJEC to inform of the delay.

One example of best practice seen was thorough annotation of work, referencing the assessment objectives for each task.

Many centres appeared to have selected one organisation for the whole cohort to study. In some cases, the assessment was based on Internet information and/or a resource pack provided by the chosen organisation. Despite these specific resources, a number of candidates provided evidence against AO1 criteria only and appeared unable to apply the information available to address the tasks set. Often information was cut and pasted when it had little or no bearing on the task in hand.

A small number of centres allowed candidates completely free choice of organisation but this too gave rise to some issues. Often, the responses to tasks were generic and not applied to the organisation chosen. Some examples of these organisations included Nike, Adidas and Apple, apparently chosen because the candidates were enthusiastic customers rather than having the required knowledge and understanding to apply the tasks specifically to the chosen organisation.

Although recommending the candidate being given a choice of organisation, parameters can be set as suggested in previous reports and CPD. Grouping organisations for study, such as supermarkets, high street fashion, charity shops, fast food chains, and so on, allows for the delivery of the content to specifically address one type of business whilst allowing individual candidates the choice of organisation from within the group. This should allow candidates across the ability range to address AO1, AO2 and AO3 criteria as competently as possible.

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Unit 1: THE BUSINESS AND ITS ENVIRONMENT

Principal Moderator: Stephen Southwell

Task 1 – Action Plan

This task carries four marks. Many centres awarded four marks yet this task was not always completed well. The mark band descriptors are fairly clear in the wording about what constitutes full marks: “produce, refer to and adapt a detailed action plan.” Many candidates failed to produce a “detailed” action plan. Often only the tasks were reproduced as their “action” with little or no evidence of how this would be achieved. Many candidates simply cut and pasted standard phrases such as “Internet research”, “text book”, “resource pack”, etc. Again, to signify an attempt at adapting the plan, candidates pasted phrases like “done” and “this task was easy”. Action plans deserving of full marks were very rarely seen, yet many centres awarded full marks.

Task 2

On the whole, these tended to be well done. The task could be prepared prior to the task-taking window and amended or adapted, if necessary, for final submission. The task should always include some general points about factors of location, some specific points about the location of the chosen business and reference to the sector of industry in which the chosen organisation operates. One or two centres still see this task as a history exercise on the chosen organisation.

Task 3

In Option A, this task asked about typical aims, aims specific to the chosen organisation, the work of functional areas and how this work related to the achievement of these specified aims. There were six marks available for AO1 objectives for simple general text book information presented in an original format. Most candidates achieved these but few candidates achieved well in the AO3 assessment where there had to be a link between the work carried out by the functional areas and the achievement of business success against these aims.

In Option B, this task was far more straightforward in that it was only the work of functional areas that needed to be examined in conjunction with the use of ICT within the functions. Very few candidates scored well in the ICT aspect. The EFTPOS developments were sometimes discussed and CAD/CAM mentioned where appropriate. Some candidates made reference to web sites, web page design and e-commerce. The use of spreadsheets was also mentioned within the accounts function. There was little reference to specialist packages such as Sage, Quicken, or similar.

Task 4

In Option A, this task could be seen as the most demanding. As well as providing general information on this topic, candidates had to find specific references from their chosen organisation and almost 'translate' the corporate wording into passages that they could understand. In addition, they then had to evaluate the impact of these issues on the success of their business.

In Option B, this task was an examination of business aims and the work of the functions in achieving these aims. The task specifically asked for two aims to be examined in relation to the work of functions but this often meant brief responses, lacking any depth. Candidates did, however, score well on the AO1 and AO2 assessment points.

Task 5

In Option A, this task was fairly simple in that the focus was on business ownership. Most candidates did well in this task with the only difficulty appearing to be reasoning why, for example, XYZ plc would be unlikely to be a partnership.

In Option B, this task focussed on the forms of business ownership. It tended to be reasonably well answered except for the fact that much of the general work required was cut and pasted and not presented in the candidates' own words. There was an issue with the final part of this task which asked candidates to examine franchise opportunities. Some candidates had chosen a franchise to study, making this part of the task almost impossible to address adequately.

Task 6

In Option A, this task asked about ICT use within functional areas. Many candidates simply copied the work from Task 3 to address the work of functions when addressing this task. As the focus was on ICT, a briefer account of functional activities could have sufficed whilst the use of ICT – or lack of it – should have been highlighted. Comments from Task 3, Option B apply equally to the responses received for this task.

In Option B, this task was all about forms of communication available to the chosen organisation as well as an investigation into two examples where communication could be improved. There was a wide range of responses here. Some candidates gave lists of communication methods; some gave detailed examples of communication within the business; and a minority of candidates compared methods of communication used by one organisation with another to suggest improvements. Often these involved web pages and e-mail.

Task 7

In both Option A and Option B, candidates appeared to have enjoyed the development of the presentation and spent a large amount of time preparing this task. The presentations were generally well done, with detailed information given through the slides or in notes and/or speeches. This task consistently appears to be the task in which the candidates score their highest marks.

Task 8

This was the evaluation of the presentation and often candidates did not fully meet the task requirements. All candidates attempting this task carried out a self-assessment of their work, with varying degrees of effectiveness. Many did not, however, get one of their peers to assess their presentation so that a more precise evaluation could be made. Often the candidate provided an assessment of someone else's work which invalidated the notion of critically evaluating a presentation based on two distinct assessments of the one piece of work.

Many candidates were awarded the full eight marks for this task although, without the correct peer assessment, this should not have been possible.

Task 9

This was a general improvement in performance this series, with many candidates achieving the full six marks. It was good to see the mark bands met, particularly with reference to each task and the evidence produced to meet these tasks. There is a reference to the "skills developed" in the highest mark band but only the higher achieving candidates addressed this aspect.

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Unit 3: PEOPLE IN BUSINESS

Principal Moderator: Stephen Southwell

Task 1 – Action Plan

The same observations apply to this task as Task 1 in Unit 1. Please refer to the comments for Unit 1, Task 1 on page 2.

Task 2

This task was often done reasonably well but many accounts contained irrelevant information regarding the history of the chosen organisation. This year, very few candidates produced an organisational structure of their chosen organisation to assist in responding to this task.

Task 3

In Option A, this task required candidates to examine two job roles. This tended to be done very well, with candidates scoring high marks. Some candidates did struggle to describe the impact of possible changes to working practices in the chosen organisation.

In Option B, candidates were asked to identify the main customers of their chosen organisation. This could have been achieved by categorising them in terms of age, gender, socio-economic grouping, and so on. With this achieved, candidates should then have looked at typical customer expectations and the effectiveness of the organisation in achieving these. Most accounts were confused and/or lacking detail.

Task 4

In Option A, this task asked for a detailed examination of one job role and the method of recruitment that could be applied in filling that role. Once again, this task was completed well, with some very good accounts evaluating different methods of job applications.

In Option B, this task examined customer feedback, the use of ICT in gaining this and what avenues were available to resolve issues if there was a customer complaint. Many candidates did not address this task specifically but, rather, wrote in general terms about customer service and e-mail.

Task 5

In Option A, this task examined customer expectations and the impact of ICT on customer service. The first part of this task tended to be answered well, with some good examples given of good customer service and some suggestions for improvements. The responses on the role of ICT in customer service tended to be quite brief and very general and not applied to the chosen organisation.

Option B offered the candidates the opportunity to use as many job roles as required to compare responsibilities and rewards. Most candidates achieved reasonably well in this task although the writing could have been better structured, allowing candidates' evaluation skills to be more obvious.

Task 6

In Option A, candidates were required to list and detail legislation, organisations and codes of practice in place to protect the customer. These accounts tended to include far too many aspects that would have been almost irrelevant to the chosen organisation. Candidates would have fared better if they had looked at two or three appropriate aspects and examined these in more detail. They should also have applied this information to the chosen organisation.

This task was not answered well in Option B. There was confusion over what could be meant by changes to working arrangements. When the task was written, it was envisaged that changes would include hours worked, shift patterns, new skills/technology, etc. Very few candidates mentioned any of these. As a result, the marks awarded were quite low.

Task 7

In both options the presentations tended to be well done. In Option A, the presentation on employer and employee expectations scored high marks. Full marks were only gained by candidates who had examined, in some detail, how particular conflicts might have been resolved.

In Option B, the presentation looked at recruitment and, in particular, application methods. This task was answered well, with candidates producing good evidence and evaluation skills in completing their work.

Task 8

This task is similar to Task 8 in Unit 1 and the same observations apply. Please refer to the comments for Unit 1, Task 8 on page 3.

Task 9

As with Task 8, this is identical to the reflective task in Unit 1 and again, the same observations should be noted. Please refer to the comments for Unit 1, Task 9 on page 4.

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Unit 2: BUSINESS FINANCE AND DECISION MAKING

Chief Examiner: Beryl Rees

General comments

The June 2014 Unit 2 paper is the examination component of the Applied Business Single Award and is now well established, with centres being more aware of the types of questions set and the requirements of good responses. This was particularly evident in the questions that require financial documents and accounts to be completed using supplied information.

The more able candidates are moving away from mechanistic responses and are basing their answers on information given or worked out. However, many candidates continue to lose marks because they do not read the question carefully enough and are not applying their answers to the business or document/financial statement as required. General answers are insufficient and responses need to be specific to the question asked.

Even some of the more able candidates were seen to lose marks because they did not understand the purpose of each document of transaction. It is essential that they understand why different documents are produced by a business.

The overall standard of the work, however, was reasonably good, with most candidates developing their answers to better meet the demand of the questions. The paper was accessible to all, with every candidate able to attempt answers to most questions.

- Q.1
- (a) The majority of candidates obtained full marks for this question. Some candidates lost a mark by giving the incorrect date and others had problems calculating the discount and VAT. The 'own figure rule' was applied in this question.
 - (b) Not all candidates were aware what the abbreviation 'VAT' stood for. However, most were able to explain its purpose and so gained two of the three marks on offer.
 - (c) There was some confusion as to which document was referred to in the question. This was exemplified by the fact that many candidates went on to gain full marks for the second part of the question.
 - (d) Few candidates were able to achieve full marks for this question. Most were unable to explain the purpose of the two documents and to differentiate between them.
 - (e) Very few candidates scored well in this question. They obviously did not know how the balance is worked out in a statement and so were unable to identify the mistake and, as a result, were unable to correct the balance. Some attempted, with a degree of success, to explain a consequence of the error.

- (f) Once again, candidates showed their lack of understanding of the purpose of documents of transaction. This is an essential element of this first question in the paper and candidates will continue to lose marks unless this is addressed.
 - (g) Although candidates, on the whole, demonstrated a good understanding of the methods of payment in this question, they failed to appreciate that they had to consider the advantages and disadvantages from the perspective of Ink Inc, the seller. When they did not do this, marks could not be awarded. Candidates need to ensure that they read the questions carefully.
 - (h) Many candidates identified two advantages of using a computerised system but then did not go on to gain the extra two marks on offer by explaining why the application would be helpful in the management of documents in an accounting system.
- Q.2
- (a) The majority of candidates obtained full marks for this question. Problems arose for less able candidates when calculating net profit and inputting the correct terms in the correct box.
 - (b) This question asked for the drawbacks of installing a computerised spreadsheet application. Some candidates wrote of advantages and some lost marks by not explaining the drawbacks they had identified. Candidates should be encouraged to think of the program specified in the question when doing this.
 - (c) Candidates had few problems in the calculation of gross and net profit Percentages and scored highly in this question. They need to ensure, however, that they give the answer to two decimal points as asked and to ensure that they work this out correctly. Candidates are now showing their answer as a percentage. The 'own figure rule' was applied in this question.
 - (d) Many found this question problematic. Candidates must be made aware that the gross profit percentage will be of interest to internal stakeholders only. The information in the scenario at the start of the question should also have been checked to determine the type of business ownership as this could have impacted on the type of shareholder.
 - (e) Most candidates scored well in this question. However, some candidates did not use the net profit they had worked out in Question 2 (a) and did not know that drawings were deducted. They were also unaware that net current assets are added to fixed assets. They did know, however, that total net assets are equal to closing capital. The 'own figure rule' was applied.
 - (f) The main problem for some candidates here was that they were unable to identify the capital employed and were, therefore, unable to complete the calculation.
 - (g) The majority of candidates scored quite well on this question. Candidates should have ensured that they comment on all the ratios and the financial statements asked for in the question, showing the effects of the changes on the business. They should then have given their advice, together with a reason for this advice.

- Q.3
- (a) The majority of candidates did not know what a sales budget showed, despite the fact that an example was given in the second part of the question, which was generally well answered. The few candidates who were able to give three advantages of preparing a budget, often did not explain them fully and so missed out on the second mark for each point made.
 - (b) A surprising number of candidates did not give the full definition for fixed and variable costs and some were unable to give correct examples. Some confused these costs with fixed and current assets.
 - (c) Nearly all candidates were able to input the correct figures into the formula and most completed the calculation successful. However, some missed out on the mark for stating that they were items of clothing.
 - (d)
 - (i) This question was poorly answered. Candidates need to look at the effect on the break-even chart itself and state what will happen to the actual costs or break-even point.
 - (ii) Candidates were more successful in this part of the question and many were able to give relevant courses of action a business could take if there was an unexpected increase in rent.
 - (iii) Candidates missed out on marks here because they did not explain in full the impact on the business of the courses of action they had identified.

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Unit 4: BUSINESS FINANCIE AND DECISION MAKING II

Chief Examiner: Beryl Rees

General Comments

The Unit 4 paper is now a well-established examination and both teachers and candidates should be familiar with the layout of the paper and the style of question.

The more able candidates are moving away from mechanistic responses and are basing their answers on information given or worked out. Candidates are becoming more confident in answering questions based on stock holding and valuation. Decision trees are now also familiar to all candidates. However, too many candidates are still not giving detailed responses applied to the business in question or the task asked of them. General answers are insufficient for a high mark and many candidates are missing out on the higher grades because of this. Candidates did, however, try to evaluate when asked to do so.

The overall standard of the work was reasonably good. Most centres had endeavoured to ensure that candidates were well prepared for this examination. The paper was accessible to all and candidates were able to attempt answers to nearly all questions.

- Q.1
- (a) A significant number of candidates did not give full definitions for each of these costs and therefore missed out on the second mark available for these definitions. Nearly all, however, gave relevant examples of each cost.
 - (b) Candidates need to move away from generic answers for ICT-based questions. The question specified a package to be used in the drawing up of a cashflow forecast and answers should have been based on this use. A small number of candidates misread the question and evaluated the use of cashflow forecasts.
 - (c) This question posed few problems for candidates and most were able to correctly classify the inflows and outflows. Business rates did, however, catch some candidates out.
 - (d) The majority of candidates were able to correctly insert the terms into the boxes but many found this question problematic, although they then went on to successfully answer the next question that used this information.
 - (e)
 - (i) Candidates demonstrated a good understanding of the cashflow forecast. Most candidates identified two of the errors, while some identified that the closing balance for October was incorrect for the third error without realising the cause of this – that total receipts for that month had been incorrectly recorded.
 - (ii) The assessment of the effect of these errors on the business was more problematic and answers were too general and not applied to the errors identified. Candidates needed to approach this question methodically by assessing the effect each error would have on the decision-making process of the business.

- (e) (i) Most candidates were able to make valid points when advising whether to go ahead with the expansion. Consequently candidates scored well on this question.
 - (ii) The course of action suggested for improvement should have been linked to the figures in the cashflow and how the cashflow itself could be improved. Some candidates took this as meaning how the business could avoid errors in the future.
 - (iii) The following part to this question had been answered well whichever interpretation candidates had made of the question.
- Q.2 (a) (i) A significant number of candidates achieved high marks in this question. Most were able to transfer the given information to the stock record card but a few were unable to work out the balance of stock held after a transaction had taken place. A common mistake was to omit or state the name of the business for the stock description.
- (ii) Some candidates mistook the stores requisition for a purchase order.
- (b) Few candidates had problems in completing the formula for the re-order level. Candidates were also able to calculate the level and most were able to explain the term. Many, however, were unable to give a full explanation of why it was important that the stores manager was aware of the re-order level.
- (c) Most candidates had a good idea of what the 'just in time' system of ordering entails and explained how the system helped the business. Some gave general information on the use of the system but others confused this system with the bar code or CAM systems.
- (d) Some candidates obtained full marks for calculating stock valuation. Others found the concept that different receipts and issues of goods had different prices baffling and tended to calculate the value at one price. They did not carry balances forward after the receipt or issue of stock. Marks were awarded for own figures in this question and most candidates obtained marks in this way.
- (e) Very few candidates achieved more than two marks out of the four on offer for this question. Generally, they demonstrated a lack of understanding of the 'first in, first out' method of stock valuation.
- Q.3 (a) It was judged that job and batch methods were accepted as being correct for this question. The evaluation of these methods was surprisingly poor as, in examinations in previous series, this has been a well-answered question. Some candidates confused batch with flow production.
- (b) It would appear that some centres do not recognise Investors in People as a form of quality assurance despite its listing on the specification. Consequently, a number of poor answers were evident for this question. Candidates who recognised that Investors in People was the most relevant type of quality assurance usually scored full marks.

- (c) Many candidates did well in this question. They were able to identify relevant stakeholders and explain the impact of the introduction of computer applications on different stakeholders. Some candidates lost marks because they did not evaluate, concentrating solely on the positive impact and ignoring any negatives, or vice versa. Others lost marks because they did not consider both stakeholders or did not consider the stakeholders at all.
- (d) This question was well answered, nearly all candidates scoring well. They were able to calculate the expected values and interpret their findings, giving relevant and well considered advice to the business, demonstrating a good understanding of decision trees. A minority of candidates deducted instead of adding to find the expected value. The 'own figure rule' was applied throughout this question.



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